

\$28.4 million Reductions, 12/17/02
Agency: Department of Human Services
Appropriation: Senior and Disabled Services (SDSD)

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact					Positions	2003-05 Estimated Fiscal Impact					
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds		General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	Positions
December Forecast Across the Board (\$28.4 Million Target)														
Eliminate General Fund for Retired Senior Volunteer Program (RSVP). The program coordinates and provides 4,500 volunteers for such programs as social services for seniors and people with disabilities, academic tutoring and mentoring to people in schools. The total 2001-03 RSVP budget is \$264,710. During the 1999-2001 biennium, the local RSVPs provided 4,500 volunteers, who were involved in projects reaching more than 50,000 children and seniors and providing more than 350,000 hours of volunteer services. Implementation date is February 2003. Transfer from HB 5100 List.	15 local RSVP projects are impacted by the cut. RSVP projects integrate with social-service and public-safety agencies and schools in local communities to provide a variety of volunteer services, including social services to seniors and people with disabilities, academic tutoring and mentoring to young people in public schools and community colleges, and community policing and senior crime-prevention programs. This cut in funding will negatively impact the local RSVP's ability to continue the local programs and services they provide.	2/1/03	(58,125)				(58,125)		(275,034)				(275,034)	
Eliminate nursing facility inflationary increase(rebasing) for 2001-2003. Approximately 5,400 clients and 138 nursing facilities with Medicaid contracts are impacted. The average daily decrease is \$3.26 per client. If DHS is unable to implement this reduction due to legislative disapproval, reduction of clients in survival priority level 17 would be substituted effective February 1, 2003. Approximately 1068 clients will be eliminated, 335 of whom are in 24 hour care settings. Transfer from HB 5100 List.	Facilities may be forced to curtail expenses, since this will be a real decrease in revenues received. The largest part of nursing facility expense is associated with wages and benefits for direct care staff.	2/1/03	(827,682)			(1,249,833)	(2,077,515)		(8,230,436)			(12,428,288)	(20,658,724)	

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<p>Reduce the average monthly assisted living rates by February 1, 2003. After reduction, the maximum rate paid will be \$1,125 per month.</p> <p>Approximately 3,200 of the 3,450 clients in assisted living facilities (ALF) would be impacted and it is expected all 163 ALF providers that participate in Medicaid would be affected. If DHS is unable to implement this reduction due to legislative disapproval, reduction of clients in survival priority level 17 would be substituted effective February 1, 2003. Approximately 1068 clients will be eliminated, 335 of whom are in 24 hour care settings. Transfer from HB5100 List.</p>	<p>At this payment level, 21 of 43 assisted living facilities financed by Oregon Housing and Community Services likely will go into technical default.</p> <p>Many of these are located in rural parts of the state and may be the only long-term care resource in the community. Urban providers may choose to limit Medicaid clients.</p> <p>If facilities were forced to close due to default, residents (both Medicaid and private pay) may have to seek alternatives outside of their local communities. Rural facilities may also start to close since they generally have a higher number of Medicaid residents than urban facilities, and the impact of a rate reduction of this magnitude will be felt more quickly.</p>	2/1/03	(2,200,865)			(3,323,393)	(5,524,258)		(9,619,348)			(14,525,559)	(24,144,907)	
<p>Eliminate an additional portion of Oregon Project Independence (OPI) for the remainder of the biennium. OPI is a state-funded program providing long-term care services to low-income people age 60 and older who are not receiving Medicaid services.</p> <p>The program's original intent was to keep seniors in their own homes instead of an institutional setting. Effective February 2003. Transfer from HB5100 List</p>	<p>In-home services will be eliminated to approximately 1,424 clients currently receiving OPI. These individuals will have to rely upon their own resources and some may not be able to remain at home. Because of survival priority level restrictions and limiting community based care cases, none of the clients will become for Medicaid.</p> <p>Many OPI providers are low-income home care workers. Programs are administered by local AAAs.</p>	2/1/03	(1,119,394)				(1,119,394)		(1,158,573)				(1,158,573)	

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Eliminate 95 % of the General Assistance Program for approximately 2,678 clients with a long-term disability. This program provides cash grants to individuals who are unable to work because of long-term disability. Implementation date is February 2003. Transfer from HB5100 List; revised to 95%.	Increased acute-care emergency room visits, and increased demand for city and county services.	2/1/03	(2,819,077)			(374,047)	(3,193,124)	(19.00)	(19,303,849)		(5,409,824)	(4,093,704)	(28,807,377)	(19)
Eliminate services for 184 clients who have been incorrectly categorized as eligible for long-term care services.	These individuals will have to rely upon their own resources.	2/1/03	(152,381)			(230,101)	(382,482)		(725,624)			(1,095,719)	(1,821,343)	
Subtotal			(7,177,524)	-	-	(5,177,374)	(12,354,898)	(19)	(39,312,864)	-	(5,409,824)	(32,143,270)	(76,865,958)	(19)